

THE EMBODIMENTS OF THE INVENTION IN WHICH AN EXCLUSIVE
PROPERTY OR PRIVILEGE IS CLAIMED ARE DEFINED AS FOLLOWS:

1. An automated method of card acceptance for
processing financial transactions using a debit or credit
protocol comprising the steps of

using an in store terminal to machine read a
financial transaction card and obtain a primary account
number associated therewith,

providing said primary account number to a
database of card information and comparing the primary
account number with said database to provide a preliminary
assessment categorizing the card as

- 1) known to be debit capable,
- 2) unknown to be debit capable, or
- 3) known to be only credit capable,

processing known only credit capable cards using a
credit protocol,

processing known debit capable cards using a
modified debit protocol that initially assumes a PIN
authorization debit protocol and prompts the cardholder to
enter the PIN authorization, said modified debit protocol
defaulting to a different authorization debit protocol or
credit protocol when a request to override is received and
thereafter following the protocol according to the request
to override, and

processing unknown to be debit capable cards using
a protocol that initially requires a clarification signal
selecting a debit or credit protocol and completing the
transaction according to the selected protocol.

2. An automated method as claimed in claim 1 wherein
the debit protocol for unknown to be debit capable cards is
said modified debit protocol.

3. An automated method as claimed in claim 1
including the step of tracking clarification indicating a

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debit transaction and recording of the primary account number associated therewith to update the database whereby future transactions using the transaction card will be categorized as a debit capable card.

4. An automated method as claimed in claim 1 wherein the step of comparing the primary account number with the database occurs at a store where said instore terminal is located.

5. An automated method as claimed in claim 1 wherein the step of comparing the primary account number is completed within 5 seconds of machine reading the primary account number.

6. An automated method as claimed in claim 1 including the step of defaulting to the protocol of unknown debit capable cards if the step of assessing the card is not completed within a specified time.

7. An automated method as claimed in claim 6 wherein said specified time is less than 10 seconds.

8. An automated method as claimed in claim 1 including watching each transaction of an unknown debit capable card for successful completion based on a debit protocol and taking steps to update the database such that future transactions using the respective card will be processed as a known debit capable card.

9. An automated method of card acceptance for processing of financial transactions originating at a point of sale computer system of a store site and being approved by a computer system of a remote financial institute,
said method comprising determining a primary account number of a financial transaction card presented for payment of the transaction,

providing the primary account number to said point of sale computer system and comparing the primary account number with a database of card bank identification numbers and conducting a preliminary assessment whether the particular transaction is capable of being settled using a debit point of sale transaction network,

requesting the entry of a PIN when the preliminary assessment indicates the capability of being settled as a debit transaction and upon entry of the PIN settling the transaction through a debit point of sale transaction network, and

settling the transaction through a credit transaction network if the card is not debit capable.

10. An automated method as claimed in claim 10 including in the event the preliminary assessment is uncertain whether the transaction is capable of being settled using a debit point of sale transaction network seeking additional information from the card holder with respect to entry of information clarifying whether the transaction is to be settled as a PIN based debit transaction or non PIN based transaction and thereafter using the appropriate PIN based settling through the debit point of sale transaction network or the credit network.

11. An automated method as claimed in claim 10 including adding to said database BIN information with respect to any PIN based debit transactions successfully settled where the preliminary assessment was uncertain whereby future transactions using the particular card will be recognized as capable of settlement using the debit point of sale transaction network.

12. An automated method as claimed in claim 11 including sharing any information added to said database

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13. An arrangement for identifying and processing transactions that may be capable of being settled using a debit protocol, said system comprising an onsite store computer system connected through an outside network to a financial transaction network; said store computer system including a series of terminals for the electronic payment of purchases, an onsite database computer connected to each terminal and communicating therewith; each terminal including a device for receiving a financial transaction card and determining a primary account number associated therewith, means for communicating said primary account number to said onsite database computer; said onsite database computer upon receiving a primary account number from any of said terminals evaluating said primary account number and providing a report to the respective terminal whether the primary account number is recognized by the onsite database computer as debit transaction capable; each terminal upon receipt of a report indicating that the primary account number is known to be debit transaction capable, producing a prompt for the cardholder to enter a PIN authorization and upon receipt of a PIN processing the transaction using a PIN based debit protocol, said terminal upon receipt of a signal indicating PIN authorization will not be completed by the cardholder providing other alternatives for completing authorization of the transaction.

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where the onsite database computer did not provide a report indicating the primary account number is known to be debit capable, the database is updated such that future transactions will recognize the primary account number as debit capable.

15. An arrangement as claimed in claim 14 wherein each terminal upon failure to receive a report from said onsite database within a specified time period of communicating said primary account number assumes a protocol prompting the user to provide an indication of payment type as debit or credit.

16. An arrangement as claimed in claim 15 wherein said specified time period is less than 5 seconds.

17. An arrangement as claimed in claim 16 including at least five terminals.

18. An arrangement as claimed in claim 14 wherein said onsite database computer communicates with a central database computer at a remote location and each onsite database computer receives updates from said central database computer of primary account numbers which have become recognized as debit capable.

19. An arrangement for identifying and processing transactions that are capable of being settled using a debit protocol, said system comprising a plurality of onsite store computer systems connected through an outside network to a remote computer system which is in communication with each store computer system; each store computer system including a series of terminals for the electronic payment of purchases which terminals cooperate with an onsite database computer; each terminal including a device for receiving a financial transaction card and determining a primary account number associated therewith, means for communicating said primary

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account number to said onsite database computer; said onsite database computer upon receiving a primary account number from any of said terminals evaluating said primary account number and providing a report to the respective terminal whether the primary account number is recognized by the onsite database computer as debit transaction capable; each terminal upon receipt of a signal indicating debit transaction capable producing a prompt for the cardholder to enter a PIN authorization and upon receipt of a PIN processing the transaction using a debit protocol, said terminal upon an indication PIN authorization will not be completed by the cardholder providing other alternatives for completing authorization of the transaction.

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